



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Jane E. Light

**SUBJECT: FUNDING FOR SMART START  
SAN JOSE PRESCHOOL SPACES**

**DATE:** June 3, 2005

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Approved	/s/	Date	06/06/05
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## **PURPOSE**

The purpose of this memo is to report, as directed in the Mayor's March Budget Message, on the City's work with partners to create 2,000 preschool spaces over the next five years.

## **BACKGROUND**

The Library Department is responsible for implementing the City's Early Care and Education Strategic Work Plan, in which the target number of spaces for June 2005 was set at 1,807. For June 2006 it was set at 2,100. Subsequent direction from the February 2005 State of the City Speech called for the addition of 2,000 more spaces by 2010, for a total of 4,100.

As a result of the Mayor's leadership, a City partnership with Head Start, FIRST 5 Santa Clara County, the E3 Institute (for Advancing Excellence in Early Education), and the United Way Silicon Valley is developing. This partnership will leverage financial resources and professional expertise in the fields of early care and preschool education. The City's emerging role in this partnership is to provide direct funding for preschool facilities and leadership in raising funds from other sources for the collective efforts of the partnership. The **Smart Start San José** brand name is viewed favorably by these partners as a way of identifying programs that meet standards for high quality.

Using the dual strategies of creating brand new spaces and upgrading existing spaces, we are currently ahead of the targets set a year ago. By June 30, 2005 there will be 2,049 Smart Start preschool spaces.

## **ANALYSIS**

The San José Redevelopment Agency (SJRA) has proposed to allocate \$3.5 million for capital investments in childcare facilities. One million of this amount would be allocated to the City of San José over two years to enable the City to enter into agreements with school districts and other agencies to support the creation of new and expanded preschool spaces.

Based on current estimates for the construction of new modular classrooms, excluding land acquisition, playgrounds and landscaping, this \$3.5 million would create approximately 230 new

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preschool spaces. Library and SJRA staffs have been collaborating to identify sites that qualify for SJRA or City funding, and these efforts will continue.

Head Start and E3 Institute representatives have informed Library Department staff that the most appropriate locations for preschool programs are at school sites. The 2004 Community Assessment undertaken by Head Start and the planning underway by E3 and FIRST 5 indicate that areas served by the Alum Rock, Franklin McKinley and San José Unified school districts are the areas of highest priority need.

The SJRA can fund public improvements on school sites, however school districts have been reluctant to accept Agency funding for projects such as preschools because Agency funded public improvements can affect future distributions of pass through tax increment funding from the Agency. This presents a challenge to the emerging partnership between the City, Head Start, the E3 Institute and FIRST 5 to allocate funds that are unrestricted.

Recent estimates show the construction cost per preschool space is approximately \$15,000, based on the purchase and installation of new modular classrooms. This excludes land acquisition (if needed), furniture, playgrounds and landscaping. Recommendations from Head Start and the E3 Institute indicate that the need is for 280 spaces within the next year or two. The total estimated cost for the purchase and installation of facilities to meet this need would be \$4.2 million, an amount that exceeds the funding currently allocated.

## **CONCLUSION**

Further development of the partnership between the City, Head Start, the E3 Institute, FIRST 5 and the United Way is important to the ongoing implementation of the Early Care and Education Strategic Work Plan. It will enable the leveraging of financial resources and professional expertise needed to create and develop at least 4,100 Smart Start San José preschool spaces by 2010.

Based on initial input from Head Start and the E3 Institute, the \$3.5 million to be allocated would not fund facilities for the 280 preschools spaces that these partners recommend over the next year or two. Also, additional funding would be required for enough facilities to reach the target of 4,100 spaces by 2010.

Finally, the challenge of using Agency funds on school sites will need to be discussed further, both internally and with individual school districts, once specific locations for preschool facilities are identified. Therefore, the City will continue to work with SJRA and external partners to assess needs, resources and eligible preschool sites in the coming years. The Mayor and City Council will be kept apprised of developments through updates and reports to the Mayor's Office and the All Children Achieve Committee.

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**COORDINATION**

This memo has been coordinated with the San José Redevelopment Agency.

/s/

JANE E. LIGHT

Library Director